

UN Global Compact Communication on Progress DAFA A/S 2014 / 2015 – January 21st 2015.

Dear Mr. Secretary-General

In 2010 DAFA A/S joined UN Global Compact, the world's largest initiative for corporate social responsibility. DAFA A/S is a private owned Danish production company with 75 years of experience on the market where we operate. DAFA A/S develops, manufactures and supplies a wide range of products and total solutions that seal, absorb and protect in construction and industry.

DAFA A/S headquarter is placed in Denmark including our largest production facility. DAFA has sales companies in Sweden, Germany and China and manufacturing facilities in China.

Both profit, planet and people matters to DAFA A/S. Based upon our history we regard our way of doing business as a sustainable success with a sound balance between economic, ecological, social responsibility and social performance.

As we expect to develop our company into further more globalized business operations it is important for us to include our ethic standards in a global perspective. The UN Global Compact provides us a frame that enables us to do so in a formalized manner and demonstrate our continuing commitment to advancing the ten principles of the Global Compact in both policies and business operations.

This is our fifth UN Global Communication on progress. The focus areas in 2014 have been:

- We have improved our DAFA Supplier Code of Conduct in China in the selection of new suppliers. As a part of this Code of Conduct we have spread the awareness of the UN Global Compact among Chinese suppliers.
- We have with success obtained a recertification of our ISO 9001 in Denmark and a ISO 9001 certification of our facilities in China. Our Management System includes Environment, Safety and Quality.
- We have obtained a green smiley from the Danish Working Environment Authority. We were praised for our overall efforts to improve the working environment and our workplace assessments including the action plans.
- We have developed a formal setup for taking care of employees with stress - both physical and psychological factors, including using a stress coach. This is described as a part of our leadership handbook.
- We have reduced our energy consumption by 12% and our CO2 emissions by 14% compared with 2013. This is obtained by implementing energy-saving production processes.
- We have Implement an enhanced energy monitoring system – Grid Manager - to help identify further energy optimization areas new energy-saving production processes
- We have financial contributed to the Danish Cancer Society for children with cancer.
- We have employed young people that need a new change in life.
- We have in cooperation with the Danish authorities created meaningful jobs for people that are inserted in the Danish prisons.

In 2015 we will be focusing on:

- We will reduce our CO2 emissions by expanding our capacity on solar cells with 165% compared with 2014.
- We will automate some of our packing methods to improve the work environment for our employees.
- Implementing energy-saving production processes
- Expanding our DAFA Supplier Code of Conduct in China in the selection of new suppliers.
- Conduct an employee satisfaction survey.
- Develop a new HR Strategy
- We will introduce our DAFA AirVent System™ and DAFA AirStop System™ in Europe.

Systems that support sustainable constructions and reduces energy consumption in households. DAFA AirVent System includes a selection of strong diffusion foils for the construction industry. Foils used for roof and facade as underlay and wind barrier.

The DAFA AirStop System is an efficient and reliable sealing system for vapor barriers.

We constantly aim for continuous improvements in the whole organization and we believe that how we handle the impacts from our improvements is our responsibility. We are very aware of our limited size seen from a global perspective but we know we make a difference in our local business area.

By using UN Global Compact as our overall guideline we will extend our sustainable business ethics while striving for our vision of becoming a more global company. We look forward in the years to come to communicate our progress.

Best regards,

A handwritten signature in blue ink, appearing to read "Bo Ankerfelt". The signature is fluid and stylized, with a long horizontal stroke at the beginning and a series of loops and curves.

Bo Ankerfelt

CEO, DAFA A/S